

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.220 Sales to Lessors of Tangible Personal Property</b>
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**TITLE 86: REVENUE**

**PART 130**

**RETAILERS' OCCUPATION TAX**

**Section 130.220 Sales to Lessors of Tangible Personal Property**

- a) Effective August 1, 1967, the sale of tangible personal property to a purchaser who will act as a lessor of such tangible personal property is a sale at retail and is subject to Retailers' Occupation Tax. Also, effective August 1, 1967, the sale of tangible personal property that is used, employed or consumed by the purchaser in or upon other tangible personal property as to which such purchaser acts as a lessor is a sale at retail and so is subject to Retailers' Occupation Tax. (See also Section 130.2010 of this Part.)
- b) However, an exception exists for the sale of an automobile to an automobile renter for use as a rental automobile under lease terms of one year or less, provided the lessor gives proper certification to the seller. The exception does not apply to a retail sale of repair or replacement parts for rental automobiles.
- c) All gross receipts received from the sale of tangible personal property at retail, whether or not encumbered by leases or other rights vested in third parties, are presumed to be subject to Retailers' Occupation Tax. No deduction will be permitted for any value attributable to intangible property or rights transferred in a sale of tangible personal property at retail if there is not clear evidence from the books and records of the retailer that the sale of such intangible property has been contracted for separately from the sale of the tangible personal property. In no event will the combined sale of tangible and intangible property be permitted to reduce the tax base of the tangible personal property being sold below the fair market value of similar tangible personal property sold separately.
- d) Sales of tangible personal property to lessors are subject to Retailers' Occupation Tax liability as provided in this Section even if the tangible personal property is leased to an exempt entity that has been issued an exemption identification number under Section 130.2007 of this Part. The only exemption from this provision is if the purchases of the tangible personal property qualify under Section 130.2011 (computers, communications equipment, and equipment used in diagnosis, analysis, or treatment that are leased to exempt hospitals) or 130.2012 (tangible personal property leased to a governmental body) of this Part.

(Source: Amended at 24 Ill. Reg. 15104, effective October 2, 2000)